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SUBJECT: Saeima elects its new speaker

Ref: Riga 654 and previous

¶1. On September 24, the Saeima (Latvian parliament) elected its new speaker Gundars Daudze (member of the Union of Greens and Farmers (ZZS) to replace Indulis Emsis (ZZS) who announced his resignation after the Prosecutor's Office brought criminal charges against him for giving false testimony concerning the presence of USD 10,000 in cash in his stolen suitcase (reftels). The former speaker also promised to resign as a member of parliament, but has not yet done so.

¶2. Daudze was elected in an extra-ordinary Saeima's session with the support of all present members of the ruling coalition (52 votes). The opposition parties did not support the coalition's candidate and voted for their two nominees - Ingrida Circene and Janis Tutins.

¶3. Getting the full coalition to agree on Daudze took time and was achieved just a short time before the vote. The coalition did not reveal details of the negotiations, but it did say that changes in the composition of the cabinet would follow.

¶4. Gundars Daudze is a doctor and for several years he was the head of the Ventspils Hospital. He entered national politics when he was elected in the Saeima in 2006. However, he has some political experience at regional level: he was a member of the Ventspils City Council and also a board member of the regional party For Latvia and Ventspils (LV), headed by Aivars Lembergs, Ventspils Mayor, who currently is facing several serious criminal charges, including, for large-scale corruption. Lack of political experience and Daudze's close affiliation with the party headed by the person facing criminal charges made the opposition parties, liberal media and political experts question his suitability for the position, while Daudze himself has stated that there are no ethical or legal obstacles for him to take the position. He also claims not to have any of the "envelope payments" that caused problems for President Zatlers' candidacy.

¶5. Comment: Coalition loyalty triumphed over all else here. Daudze is not nationally known, unlike Emsis and his predecessor Ingrida Udre, and his selection indicates that Lembergs retains political influence despite being under house arrest. A cabinet reshuffle was already expected in the fall, so it is unclear whether the coalition has agreed on larger changes than the minor realignment previously discussed. Coalition sources say, in fact, the real deal was on the budget for 2008 (to be approved in October), but there are widely varying accounts about the terms of that agreement. We will continue to watch developments in this area.

Bailey